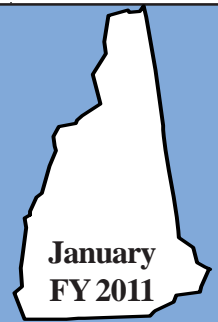


# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Linda M. Hodgdon, Commissioner  
Edgar R. Carter, Comptroller



#### Monthly Revenue Summary

#### Analysis

(for month)

	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	\$ 113.1	\$ 110.5	\$ 2.6
<b>Highway</b>	\$ 23.3	\$ 22.9	\$ 0.4
<b>Fish &amp; Game</b>	\$ 0.6	\$ 0.6	\$ -

**Business Tax** collections for the month are lower than plan due largely to refunds, which were \$7.8 million higher than January of last year, bringing year to date refunds \$9.4 million (35%) above the same period in the prior year. At the same time, Dept. of Revenue (DRA) experienced a higher amount of collections with final returns filed this month as compared to January of last year.

**Meals and Rentals Tax** was lower for the month, as compared to plan. The year to date collections are also slightly behind plan, however above the same prior year period by 3.7%.

**Tobacco Taxes** for the month are lower than plan for the first time since July, as tobacco stamp sales for the month were 20% lower than this fiscal year's monthly average. This decline is consistent with trends at this time of year and recent industry trends. However, these taxes remain ahead of plan for the year to date period. Year to date taxes are lower than the same year to date period in the prior year due primarily to floor tax collections in the prior year.

The chart on page 4 reflects the history of tax stamp sales over the past five years as reported by DRA. This demonstrates an overall trend of decline. Troughs relate to seasonal patterns with lower tobacco usage in the winter months while summer months often see higher sales. Cash collections do not track exactly with stamp sales because many larger bonded distributors are allowed payment terms, paying 30 days after purchase.

The **Liquor Commission transfers**, reflecting operating results for the month, were under plan by approximately 5%. Management of the Liquor Commission attribute the result to lower sales impacted by weather factors.

**Interest and Dividends Tax**, while only slightly lower than plan for the month, still lags plan on a year to date basis by 6%. As compared to the prior year, month and year to date collections are lower by 17% and 14%, respectively.

**Communications Tax** is exceeding plan and prior year on a year to date basis, due to the result of greater compliance initiatives.

**Real Estate Transfer Tax** while slightly ahead of plan and prior year for the month, still lags year to date plan and the same period in the prior year. The decline in numbers of transactions and property values are believed to contribute to this lower performance.

As discussed in December's Revenue Focus, **Securities** fees associated with corporate filings, while due at the end of the calendar year, were not processed in December, and therefore included in collections in January.

**Transfers from the Lottery**, representing operations of the prior month, reflect the favorable results experienced for December and exceeded both plan and prior year results for the first time this fiscal year. This is due largely to the extended rollover period of the Mega Millions game during the month, leading to a significant jackpot along with higher instant ticket sales.

**Other**, comprised primarily of recovery of state indirect costs from non-general fund sources, are lower for the month due to collections occurring earlier in the year, as compared to plan and prior year. Overall, this category is ahead of year to date plan and prior year.

The receipt of **Utility property taxes** for the month is a timing issue.

**Recoveries** are comprised primarily of drug manufacturer rebates as provided under Medicare regulations. Due to changes in rebate amounts and pending full implementation of revised reimbursement procedures, the amounts of these rebates are being remitted based on estimates and subject to later adjustments. These rebates are also being collected more quickly than in FY 2010. This has resulted in collections for the month and year to date in excess of plan, which was based on past experience.

#### Current Month Analysis

General & Education Funds	<i>FY 11 Actuals</i>	<i>FY 11 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$ 6.6	\$ 10.9	\$ (4.3)	-39.4%
Business Enterprise Tax	4.4	6.8	(2.4)	-35.3%
Subtotal Business Taxes	11.0	17.7	(6.7)	-37.9%
Meals & Rentals Tax	17.6	18.8	(1.2)	-6.4%
Tobacco Tax	16.3	18.4	(2.1)	-11.4%
Transfer from Liquor Commission	7.7	8.1	(0.4)	-4.9%
Interest & Dividends Tax	12.3	12.6	(0.3)	-2.4%
Insurance Tax	1.4	2.1	(0.7)	-33.3%
Communications Tax	6.6	6.4	0.2	3.1%
Real Estate Transfer Tax	7.7	7.5	0.2	2.7%
Court Fines & Fees	0.9	1.0	(0.1)	-10.0%
Securities Revenue	10.3	0.4	9.9	2475.0%
Utility Consumption Tax	0.4	0.5	(0.1)	-20.0%
Board & Care Revenue	1.0	1.2	(0.2)	-16.7%
Beer Tax	1.1	1.1	-	0.0%
Racing & Games of Chance	0.2	0.2	-	0.0%
Other	5.9	6.5	(0.6)	-9.2%
Gambling Winnings Tax	0.2	0.1	0.1	100.0%
Transfer from Lottery Commission	7.2	6.5	0.7	10.8%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	1.4	-	1.4	-
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	109.3	109.2	0.1	0.1%
Net Medicaid Enhancement Revenue	-	0.1	(0.1)	-100.0%
Recoveries	3.8	1.2	2.6	216.7%
Total Receipts	\$ 113.1	\$ 110.5	\$ 2.6	2.4%

All funds reported on a cash basis, dollars in millions.

## RET Analysis

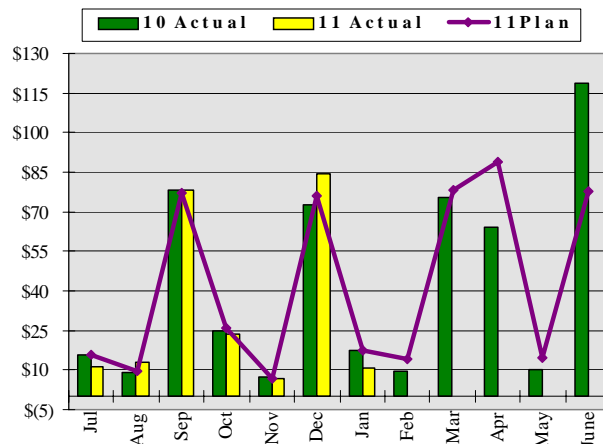
(In Millions)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4
FY09	11.5	9.9	9.4	8.1	8.8	6.6	6.5
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)	(0.5)	-	0.3
% Mo over Mo	7%	-17%	-13%	-17%	-7%	0%	4%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)	(3.7)	(3.7)	(3.4)
% YTD change	7%	-5%	-7%	-10%	-9%	-8%	-6%

## Business Tax Refund Analysis

	Jul	Aug	Sep	Oct	Nov	Dec	Jan
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0
FY10	1.6	1.2	2.1	3.6	6.3	5.2	7.2
FY09	1.3	1.4	1.5	5.3	11.3	3.6	4.7
Mo over Mo change	1.8	(0.3)	1.4	1.6	(0.2)	(2.7)	7.8
YTD change	1.8	1.5	2.9	4.5	4.3	1.6	9.4

## Business Taxes



## General &amp; Education Funds Comparison to FY 10

## Monthly

General & Education Funds	FY 11		FY 10	
	Actuals	Actuals	Inc/(Dec)	
Business Profits Tax	\$ 6.6	\$ 11.0	\$ (4.4)	
Business Enterprise Tax	4.4	6.7	(2.3)	
Subtotal Business Taxes	11.0	17.7	(6.7)	
Meals & Rentals Tax	17.6	17.1	0.5	
Tobacco Tax	16.3	18.2	(1.9)	
Transfer from Liquor Commission	7.7	6.5	1.2	
Interest & Dividends Tax	12.3	14.9	(2.6)	
Insurance Tax	1.4	1.4	-	
Communications Tax	6.6	6.9	(0.3)	
Real Estate Transfer Tax	7.7	7.4	0.3	
Court Fines & Fees	0.9	1.1	(0.2)	
Securities Revenue	10.3	0.4	9.9	
Utility Consumption Tax	0.4	0.5	(0.1)	
Board & Care Revenue	1.0	1.3	(0.3)	
Beer Tax	1.1	1.1	-	
Racing & Games of Chance	0.2	0.1	0.1	
Other	5.9	5.3	0.6	
Gambling Winnings Tax	0.2	0.1	0.1	
Transfer from Lottery Commission	7.2	5.0	2.2	
Transfer from Racing & Charitable Gaming	0.1	0.1	-	
Tobacco Settlement	-	-	-	
Utility Property Tax	1.4	1.8	(0.4)	
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	109.3	106.9	2.4	
Net Medicaid Enhancement Rev	-	0.1	(0.1)	
Recoveries	3.8	1.4	2.4	
Total Receipts	\$ 113.1	\$ 108.4	\$ 4.7	

## Year-to-Date

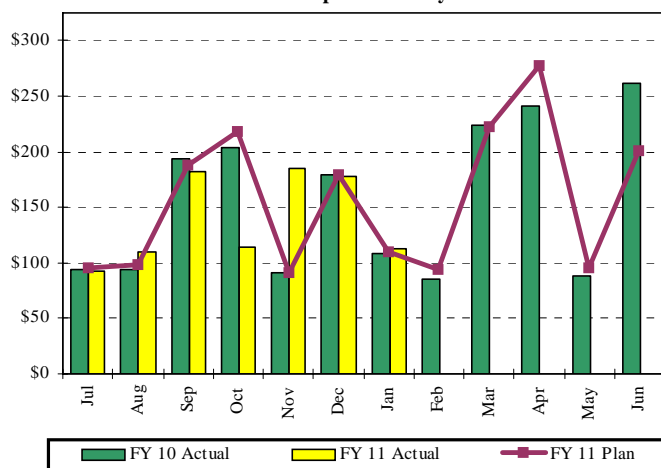
FY 11	FY 10		%
	Actuals	Actuals Inc/(Dec)	
\$ 139.2	\$ 140.5	\$ (1.3)	-0.9%
89.6	85.6	4.0	4.7%
228.8	226.1	2.7	1.2%
149.6	144.3	5.3	3.7%
141.7	145.7	(4.0)	-2.7%
77.7	73.6	4.1	5.6%
33.3	38.8	(5.5)	-14.2%
7.8	7.4	0.4	5.4%
48.0	44.0	4.0	9.1%
51.4	54.8	(3.4)	-6.2%
7.7	7.7	-	0.0%
13.2	11.3	1.9	16.8%
3.5	3.5	-	0.0%
11.5	12.1	(0.6)	-5.0%
8.2	8.0	0.2	2.5%
1.3	1.4	(0.1)	-7.1%
32.3	25.7	6.6	25.7%
1.7	1.0	0.7	70.0%
32.9	33.6	(0.7)	-2.1%
0.6	0.7	(0.1)	-14.3%
-	-	-	-
16.7	15.8	0.9	5.7%
-	-	-	-
867.9	855.5	12.4	1.4%
92.8	98.0	(5.2)	-5.3%
13.3	8.9	4.4	49.4%
\$ 974.0	\$ 962.4	\$ 11.6	1.2%

All funds reported on a cash basis, dollars in millions.

## General and Education Funds

## Year-to-Date Comparison to Plan

General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 115.0	\$ 117.1	\$ (2.1)	\$ 24.2	\$ 25.6	\$ (1.4)	\$ 139.2	\$ 142.7	\$ (3.5)	-2.5%
Business Enterprise Tax	31.7	28.9	2.8	57.9	57.6	0.3	89.6	86.5	3.1	3.6%
Subtotal Business Taxes	146.7	146.0	0.7	82.1	83.2	(1.1)	228.8	229.2	(0.4)	-0.2%
Meals & Rentals Tax	146.6	146.4	0.2	3.0	5.1	(2.1)	149.6	151.5	(1.9)	-1.3%
Tobacco Tax	78.5	75.2	3.3	63.2	58.4	4.8	141.7	133.6	8.1	6.1%
Transfer from Liquor Commission	77.7	80.1	(2.4)	-	-	-	77.7	80.1	(2.4)	-3.0%
Interest & Dividends Tax	33.3	35.6	(2.3)	-	-	-	33.3	35.6	(2.3)	-6.5%
Insurance Tax	7.8	7.3	0.5	-	-	-	7.8	7.3	0.5	6.8%
Communications Tax	48.0	43.4	4.6	-	-	-	48.0	43.4	4.6	10.6%
Real Estate Transfer Tax	33.6	37.9	(4.3)	17.8	19.1	(1.3)	51.4	57.0	(5.6)	-9.8%
Court Fines & Fees	7.7	7.5	0.2	-	-	-	7.7	7.5	0.2	2.7%
Securities Revenue	13.2	12.0	1.2	-	-	-	13.2	12.0	1.2	10.0%
Utility Consumption Tax	3.5	3.5	-	-	-	-	3.5	3.5	-	0.0%
Board & Care Revenue	11.5	10.9	0.6	-	-	-	11.5	10.9	0.6	5.5%
Beer Tax	8.2	8.0	0.2	-	-	-	8.2	8.0	0.2	2.5%
Racing & Games of Chance	1.3	1.4	(0.1)	-	-	-	1.3	1.4	(0.1)	-7.1%
Other	32.3	28.2	4.1	-	-	-	32.3	28.2	4.1	14.5%
Gambling Winnings Tax	1.7	0.7	1.0	-	-	-	1.7	0.7	1.0	142.9%
Transfer from Lottery Commission	-	-	-	32.9	39.7	(6.8)	32.9	39.7	(6.8)	-17.1%
Transfer from Racing & Charitable Gaming	-	-	-	0.6	0.6	-	0.6	0.6	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	16.7	14.0	2.7	16.7	14.0	2.7	19.3%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	651.6	644.1	7.5	216.3	220.1	(3.8)	867.9	864.2	3.7	0.4%
Net Medicaid Enhancement Rev	92.8	108.3	(15.5)	-	-	-	92.8	108.3	(15.5)	-14.3%
Recoveries	13.3	8.2	5.1	-	-	-	13.3	8.2	5.1	62.2%
Total Receipts	\$ 757.7	\$ 760.6	\$ (2.9)	\$ 216.3	\$ 220.1	\$ (3.8)	\$ 974.0	\$ 980.7	\$ (6.7)	-0.7%

General & Education Funds, excluding State Property Tax  
FY 11 Comparative AnalysisEducation Trust Fund  
Statement of Activity - FY 2011  
July 1, 2010 to January 31, 2011

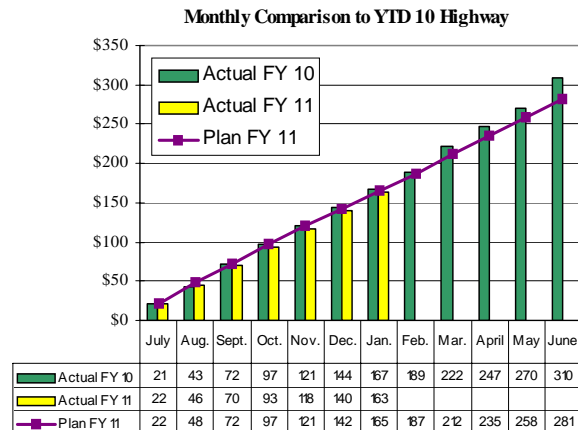
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	216.3
Expenditures	
Education Grants & Adm Costs	(415.7)
Ending Surplus (Deficit) - unaudited	\$ (199.4)

Fiscal 2011 Adequate Education Grant payments of \$594.0 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.0 million of grants through local retention of Statewide Property Tax collections.

All funds reported on a cash basis, dollars in millions.

## Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 75.4	\$ 76.1	\$ (0.7)
Miscellaneous	12.1	12.9	(0.8)
<b>Motor Vehicle Fees</b>			
MV Registrations	59.2	58.0	1.2
MV Operators	3.1	3.6	(0.5)
Inspection Station Fees	2.2	2.2	-
MV Miscellaneous Fees	6.6	7.9	(1.3)
Certificate of Title	4.2	4.6	(0.4)
<b>Total Fees</b>	<b>75.3</b>	<b>76.3</b>	<b>(1.0)</b>
<b>Total</b>	<b>\$ 162.8</b>	<b>\$ 165.3</b>	<b>\$ (2.5)</b>

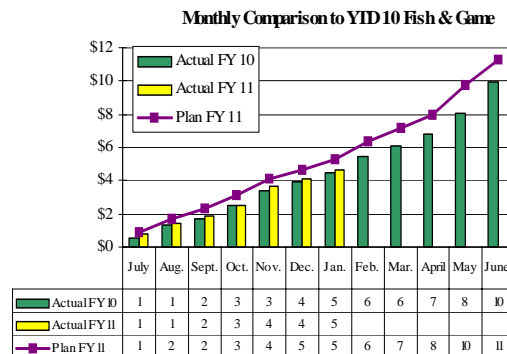


- According to **Road Toll** Operations, actual fuel consumption is up approximately 1.4% over the same period last year. When evaluating this month's revenue it should be noted that the Department received a settlement from a surety bond company in the amount of \$0.6 million. This amount represents road toll from prior tax reporting periods that was overdue and includes related penalty and interest.

- \$15.0 million of revenue related to the **I-95 segment transfer agreement** per CH 144:76 L'09 was not part of the revenue plan and therefore has not been reported above in the miscellaneous revenue category.

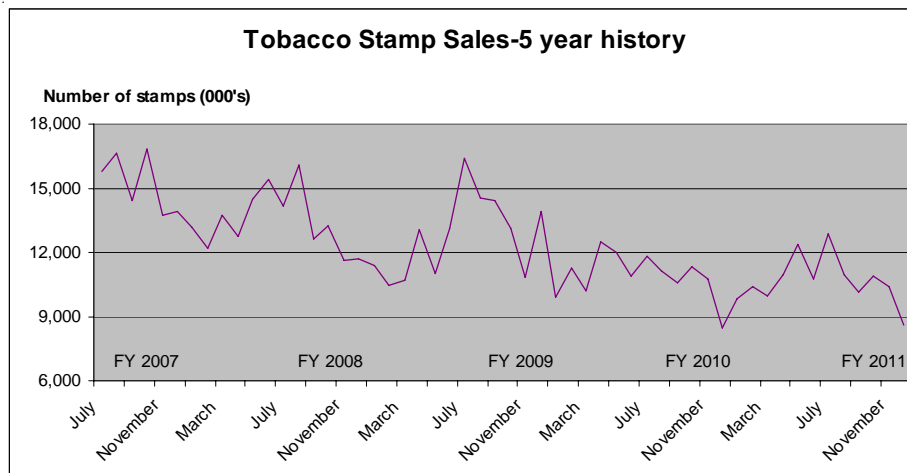
## Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 3.3	\$ 4.1	\$ (0.8)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.7	0.1
Federal Recoveries Indirect Costs	0.5	0.4	0.1
<b>Total</b>	<b>\$ 4.7</b>	<b>\$ 5.3</b>	<b>\$ (0.6)</b>



The State Fish & Game department reports lower sales of licenses and other revenue generating activity.

All funds reported on a cash basis, dollars in millions.



(See discussion on page 1)

**Department of Administrative Services**  
**Linda M. Hodgdon, Commissioner**  
**State House Annex - Room 120**  
**25 Capitol Street**  
**Concord, New Hampshire 03301-6312**  
**Phone: (603)271-3201 Fax: (603)271-6600**  
**TDD Access: Relay NH 1-800-735-2964**

**Division of Accounting Services**  
**Edgar Carter, Comptroller**  
**State House Annex - Room 310**  
**25 Capitol Street**  
**Concord, New Hampshire 03301-6312**  
**Phone: (603) 271-3181 Fax: (603) 271-6666**  
**TDD Access: Relay NH 1-800-735-2964**

